anti-Russian reaction in China in 1927, especially since Chang Tso-lin was particularly bitter against Communism. In July, 1929, the dissension culminated in the seizure of the road by the Chinese and the dismissal and arrest of the Soviet officials. For several months a virtual state of war between China and Russia existed along the Siberian-Manchurian frontier. Before January, 1930, a Russian invasion forced the Chinese to restore the *status quo* in the operation of the railway, but negotiations looking toward a permanent settlement dragged on for months, unsatisfactorily and inconclusively. Russia had strengthened its hold on the railway, for it demanded greater loyalty than before from the Russian employees. Moreover, it was pouring into the Manchurian market many of the manufactured products which had come out of the Five Year Program.

In Sinkiang, too, Soviet Russia was a threat to China. This region, never securely Chinese, was more and more cut off from China proper by the internal disorders in the Republic. On the other hand, by 1932 improved rail communication between Moscow and the Russian territory west of Sinkiang, combined with the automobile, facilitated the Russian commercial penetration of the region. This was followed by Russian political influence, but that did not become predominant.

Toward the end of 1932, Russian relations with China, strained and sometimes broken off after the conservative reaction in Nationalist ranks in 1927, became more friendly. China, looking for support against Japan in Manchuria and impatient with the failure of the League of Nations to restrain the Nipponese, was willing to bid for Russian support. Accordingly

Nanking and Moscow resumed cordial diplomatic relations.

Against the other privileges of Westerners China made continued gains. Several more of the major powers remitted the unpaid portions of the Boxer indemnity due them—the United States in 1924 (a part had been previously remitted, in 1908), France in 1922 and 1923, Japan in 1923, Great Britain in 1925, Belgium in 1925 and 1927, and Italy in 1925. Never was the remission unconditional. In the case of France, the funds were in part to be used for the satisfaction of the Far Eastern creditors of the (French) Banque Industrielle de Chine, which had recently failed. Of the amount due Italy, a sum was set aside for